DI(Survey)|DI (Vigiiance|DI (Recovery)| Dl (IT) SI (Audit)|DOMS.

5. National Academy of Direct Taxes, Nagpur.

6. Direct Taxes Regional Training restitute, BangalorejBombay]Calcutta|Lucknow,

7. Controller & Auditor General of India, New Dei'hi (50 copies).

8. Ministry of Law, Deptt. of Legal Affairs, Shastri Bhavan, New Delhi.

9. P. Ss. to Chairman and Members of CBDT.

10. All Officers and Technical Sections in CBDT.

11. The Editor, lTRjTaxation|Taxaman| The tax Law Review.

Sd|—

(K. K. Tripathi)

Secretary

Central Board of Direct Taxes

Compulsory retirement of corruptjineffi-cient officers

121. SHRI RAOOF VALIULLAH : Will the Minister of FINANCE be pleased to state Whether Government hav^ taken action against Senior Department Officers of the Customs and Central Excise, Incom-Tax and commercial banks who were found inefficient or corrupt, and if so, what is the number of such officers removed from service under rule 56 (j) during 1985, separtely?

THE MINISTER OF STATE IN 1HE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): Yes Sir.

Action has been taken by the Government against senior officers of the Customs & Central Excise, Income Tax and Commercial Banks, who have been found inefficient or corrupt. The number of such officers retired under rule 56 (j) during the year 1985:—

(1) Customs and Central Excise Department—8 Officers

(2) Income Tax Department —5 Officers

(3) Commercial Banks — 87 Officers

. Who were retired under regulation 19 of the Officers Service Regulations which, is analogous to Rule 56(j).

Raids agai/'»t tax evaders

122. SHR1 RAOOF VALIULLAH: Will the Minister of FINANCE be pleased to state;

(a) what is the number of raids conduc ted by Government against tax evaders in 1985 and estimated tax-evasion unearthed as a result thereof; and

(b) what action Government have taken against the tax evaders?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) During the calender year 1985, Income-tax Department conducted 6919 searches and seized, prima-facie, unexplained assets worth Rs. 4341 crores approximately. Necessary action under various provisions cf Direct Taxes Acts has been initiated against all the persons searched.

Bank frauds

123. SHRI RAOOF VALIULLAH: Will the Minister of FINANCE be pleased to state;

(a) what is the number of bank frauds detected in 1985 and what was the amount involved in each case;

(b) what is the number of senior management executives involved in such frauds and what action was taken against them; and

(c) what preventive measures have been taken by the banks to avoid recurrence of such frauds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) RBI reported that, irrespective of the date of occurrence of the frauds, it had received during 1985 reports from 28 public sector banks of the commission in India and outside of 2189 frauds involving Rs. 114.62 crorcs (approximately).

(b) The number of delinquent employees against whom action is takenjbeing taken for their involvement in cases of frauds, as per information available with RBI, on the basis of reports from public sector banks for 1985 is as under:

(a) No. of employees convicted on charges of fraud .	27
(b) No. of employees given major /minor penalties .	;jtJ7
(c) No. of employees against whom prosecution is pending in the Courts .	186

(d) No. of employees against whom departmental proceedings are pending 446

(c) To eliminate the scope for frauds malpractices, banks are taking steps to strengthen control mechanisms and to improve management information systems, as also effective follow-up action. Clearance of arrears in balancing of books and in reconciliation of inter branch and other accounts are also being undertaken on a continuous basis so as to prevent frauds in those areas. Information is also circulated by RBI t_0 banks giving details of novel methods of frauds and advising banks to adopt necessary safe-guards. Books of instructions are also circulated by banks amongst thei$_r$ staff, indicating precautions|check$_s$ which should be observed to prevent occurrence of frauds.

Profitability of commercial bunks

124. SHR1 RAOOF VAL1ULLAH;

SHRI DINKARRAO GOVIND RAO PATIL:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that profitability of public sector commercial banks is eroded over the years.

(b) if so what steps are proposed to be taken by Government to stop this trend; and

(c) what was the percentage of profit of these banks against their working funds during 1981 to 1985, year-wise?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) After nationalisation of major 14 commercial banks in 1969, banking industry h;is witnessed enormous growth. The large scale expansion of branch net work has put heavy strain on the bankfng industry in several areas including customer service, control mechanism, profitability etc. The aggregate published profits of 28 public sector banks for the years 1981, 1982, 1983 and 1984 are indicated below:

The final accounts of 28 public sector hunks for the year 1985 are at various stages

Year	Amount in crorcs of Rs.
1981	64·47
1982	77·56
1983	84·35
1984	82·52

of finalisation. Only after these accounts are finalised, it will be possible to indicate the actual profits earned by them during the year 1985. However, a quick estimate of the working results of